



1978 01 31

Gulf Oil Canada Ltd.,
P.O. Box 130,
Calgary, Alberta.
T2P 2H7

Attention: Mr. G.A. McGuffin,
Manager Development.

Dear Sir:

Re: Application for Good Engineering Practice in the
Debolt Formation of the Pocketknife Pool

We acknowledge receipt of your application dated January 20, 1978 for Good Engineering Practice in the above named Pool on behalf of yourselves, Hudson's Bay Oil and Gas Company Limited, and Pan Ocean Limited.

The application is hereby approved subject to the following conditions:

- 1) the area for Good Engineering Practice is National Topographic Map Series 94-G-6:

Block I, Units 12, 13, 14, 15, 22, 23, 24, 25, 32, 33, 34, 35,
42, 43, 44, 45, 52, 53, 54, 55, 56, 57, 62, 63,
64, 65, 66, 67, 72, 73, 74, 75, 76, 77, 82, 83,
84, 85, 86, 87, 94, 95, 96, and 97.

and National Topographic Map Series 94-G-11:

Block A, Units 4, 5, 6, and 7.

- 2) the unadjusted daily raw gas allowable is 15,700 MSCF/D for the Good Engineering Practice area. In accordance with the Memo to All Operators dated January 24, 1978, a monthly gas volume up to 125% of the assigned daily gas allowable multiplied by the number of days in the month may be produced. Production rates must be adjusted in other months in order that the annual production does not exceed the unadjusted daily gas allowable multiplied by 365. The "allowable year" is to be defined at a later date.

Letters from HBOG on ^{- 2 -} files - dated 1978-03-01
Pan Ocean - 1978-02-23.

- 3) letters are received by the Branch from Hudson's Bay Oil and Gas Company Limited and Pan Ocean Limited confirming that they support the proposal.

This approval may be modified or rescinded by the Chief of Branch if deemed necessary.

In approving this as a Good Engineering Practice area, condition 3) is required to ensure that a collateral agreement has been made for allocation of production in an equitable manner. We would also like to point out that a Good Engineering Practice area does not enjoy the same benefits as a Unit under section 77(5) of the Petroleum and Natural Gas Act (1965).

Yours truly,

J.D. Lineham
for J. D. Lineham,
Chief of Branch.

LP:bm

- c.c. D.L. Johnson
- P.K. Huus ✓
- W.L. Ingram.